

Auckland Airport

Update for debt investors

16 October 2023



Important Notice

Debt investor update

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This presentation is dated 16 October 2023.

Company overview



Auckland Airport, a gateway to New Zealand...

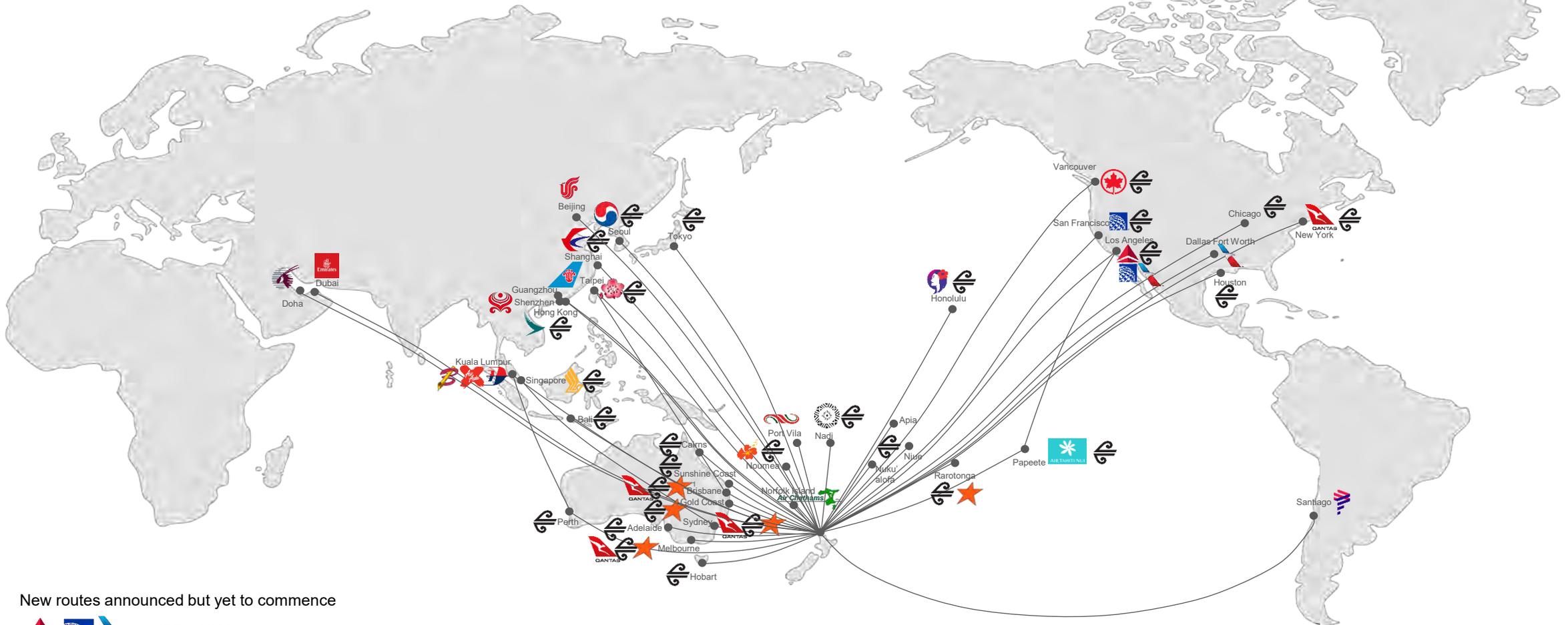
Auckland Airport is the largest and busiest airport in New Zealand with an extensive domestic aeronautical network, connecting Kiwis from Kaitiaki to Invercargill



- New Zealand's largest commercial airport serving the country's largest city
- Auckland Airport has an extensive domestic network serving 23 destinations
- Significant market share with 2/3rds of all domestic sectors either originating or ending in Auckland¹
- Processed 9.6 million domestic passengers in the year to 30 June 2019 and 8.1 million in the year to 30 June 2023
- Hub to Air New Zealand, the country's main domestic carrier
- Located on 1,500 hectares of freehold land 26km from Auckland's central business district
- No flight curfew, capable of operating 24 hours a day, 7 days a week from a single 3,535m runway
- Provision for a second runway in the future will cater for Auckland's aviation requirements for the foreseeable future

and New Zealand to the world

With the restart of services and the launch of new routes, during 2023, 25 airlines connected Auckland Airport with 40 destinations across the Middle East, Asia, the Americas and the Pacific Islands compared to 29 airlines and 43 destinations pre-COVID

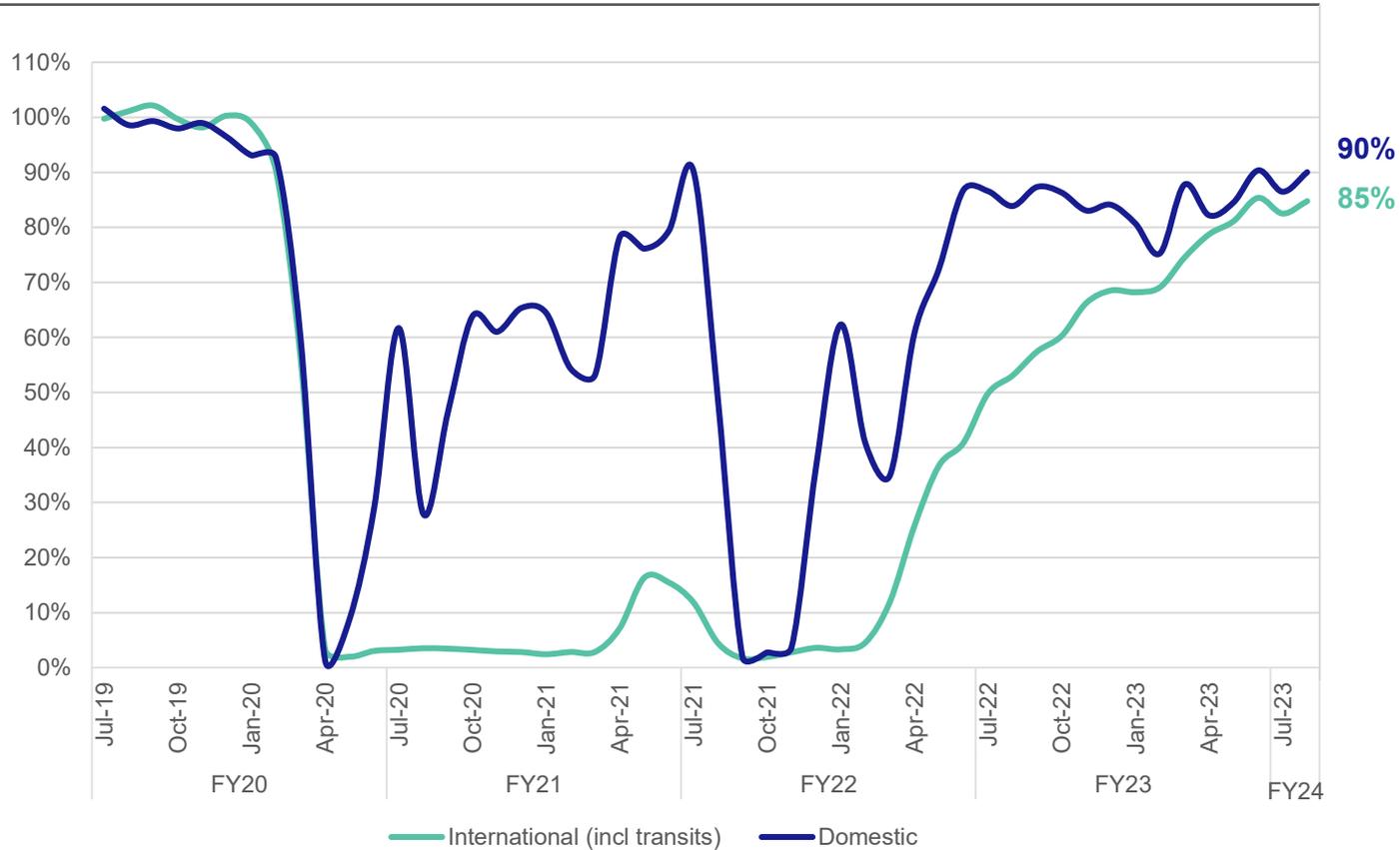


Passenger numbers recovering

With no domestic and international travel restrictions for most of the financial year ended 30 June 2023, the recovery in passenger numbers continued with expectations that total traffic will be back to pre-pandemic levels during 2025 calendar year

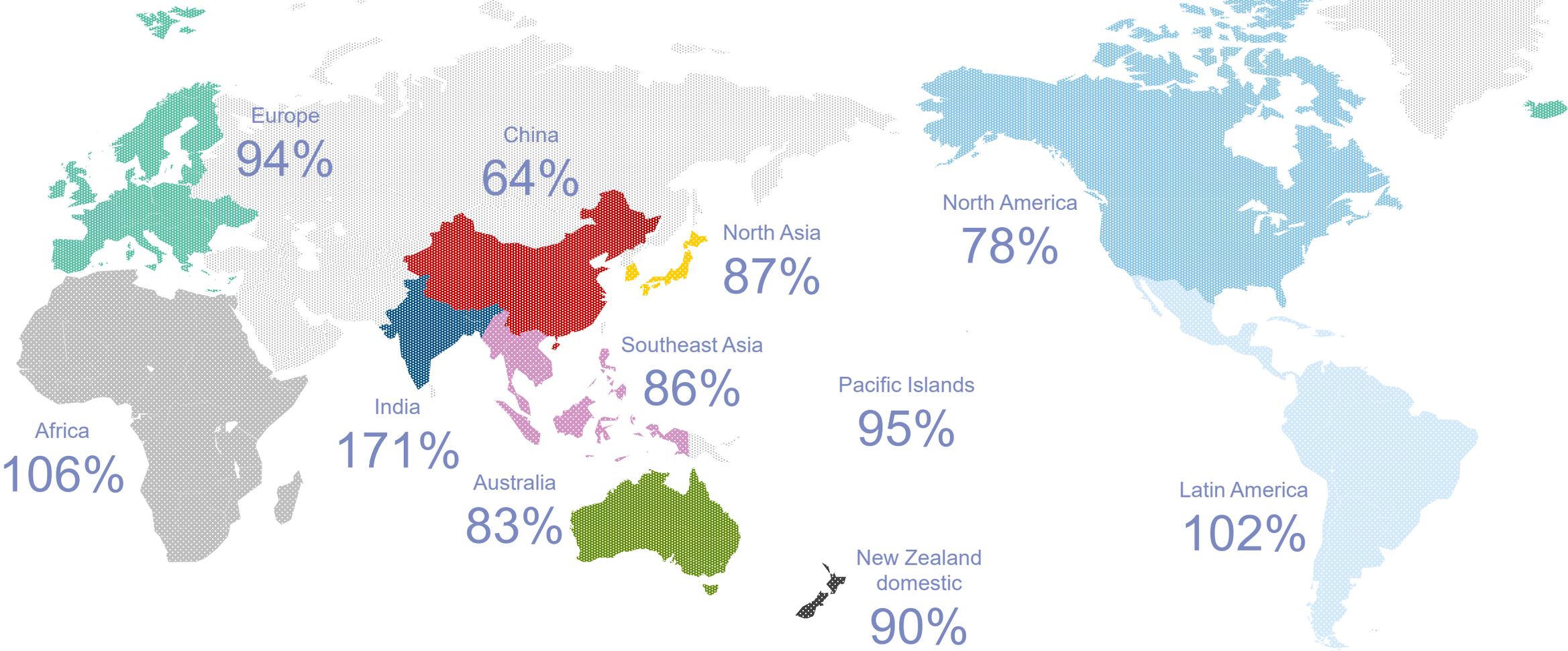
- Domestic passenger volumes quickly recovered, but stabilised below pre-COVID-19 levels in the 2023 financial year reflecting lower capacity deployed from domestic operators
- International air travel has continued to strengthen in the period as connectivity has improved, connecting New Zealand to more global destinations, and the addition of further capacity to existing routes
- International air travel demand is now stronger than at any time since COVID-19 first closed New Zealand’s border and is expected to progressively recover further as additional capacity is deployed

Monthly passenger numbers



Passenger markets are recovering

After over two years of lockdowns and travel restrictions, passenger numbers recovered quickly by June 2023 with strong demand for both domestic and international travel



Note: Each percentage outlined above represents the bi-directional recovery of international passenger movements between New Zealand and that specific international market for the month of June 2023 compared to the same month in 2019. Source: Stats NZ. New Zealand domestic at 90% shows recovery of the domestic travel market within New Zealand for the month of June 2023 compared to the month of June 2019. Source: Auckland Airport

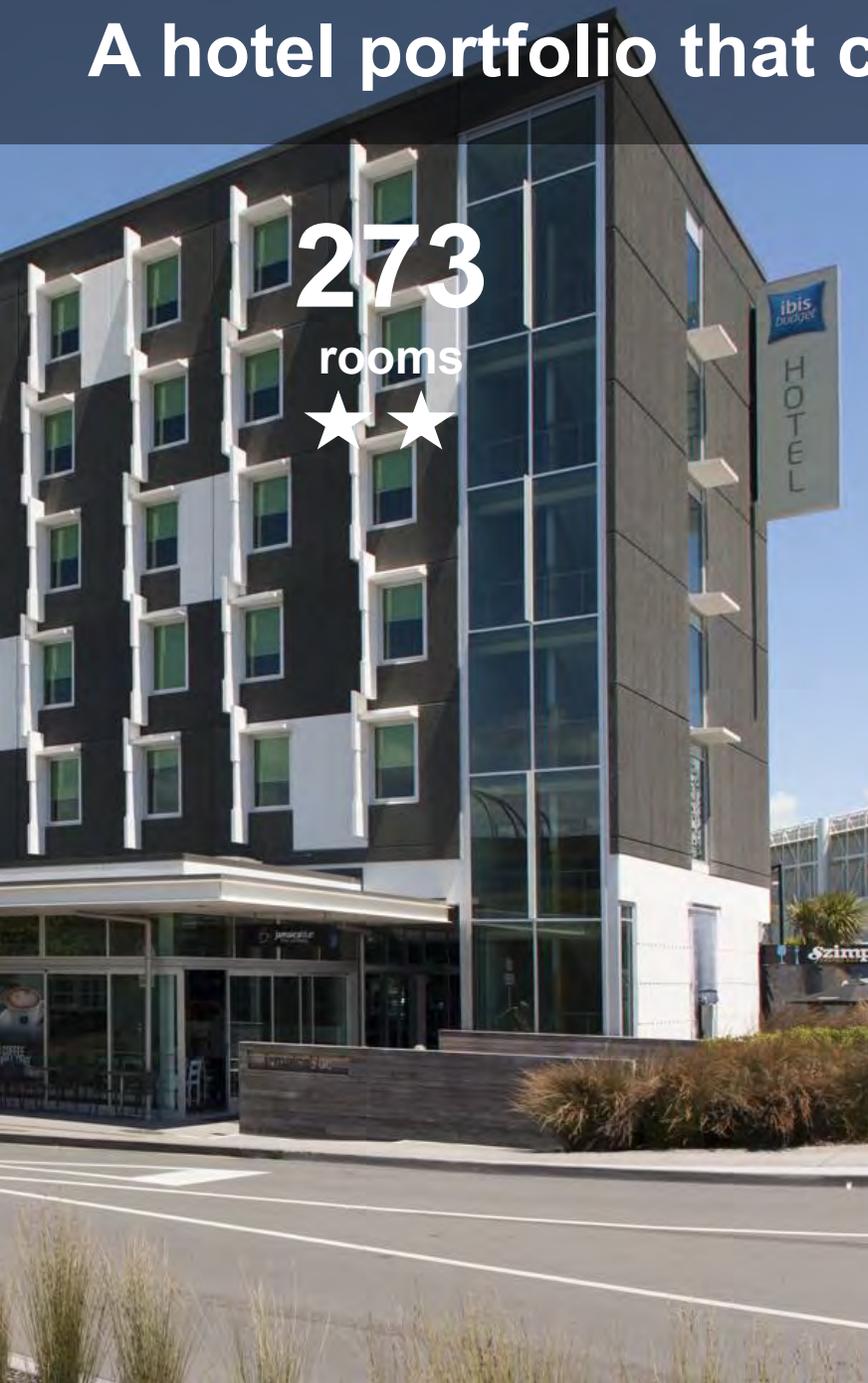
Quality retail precinct



Extensive transport business

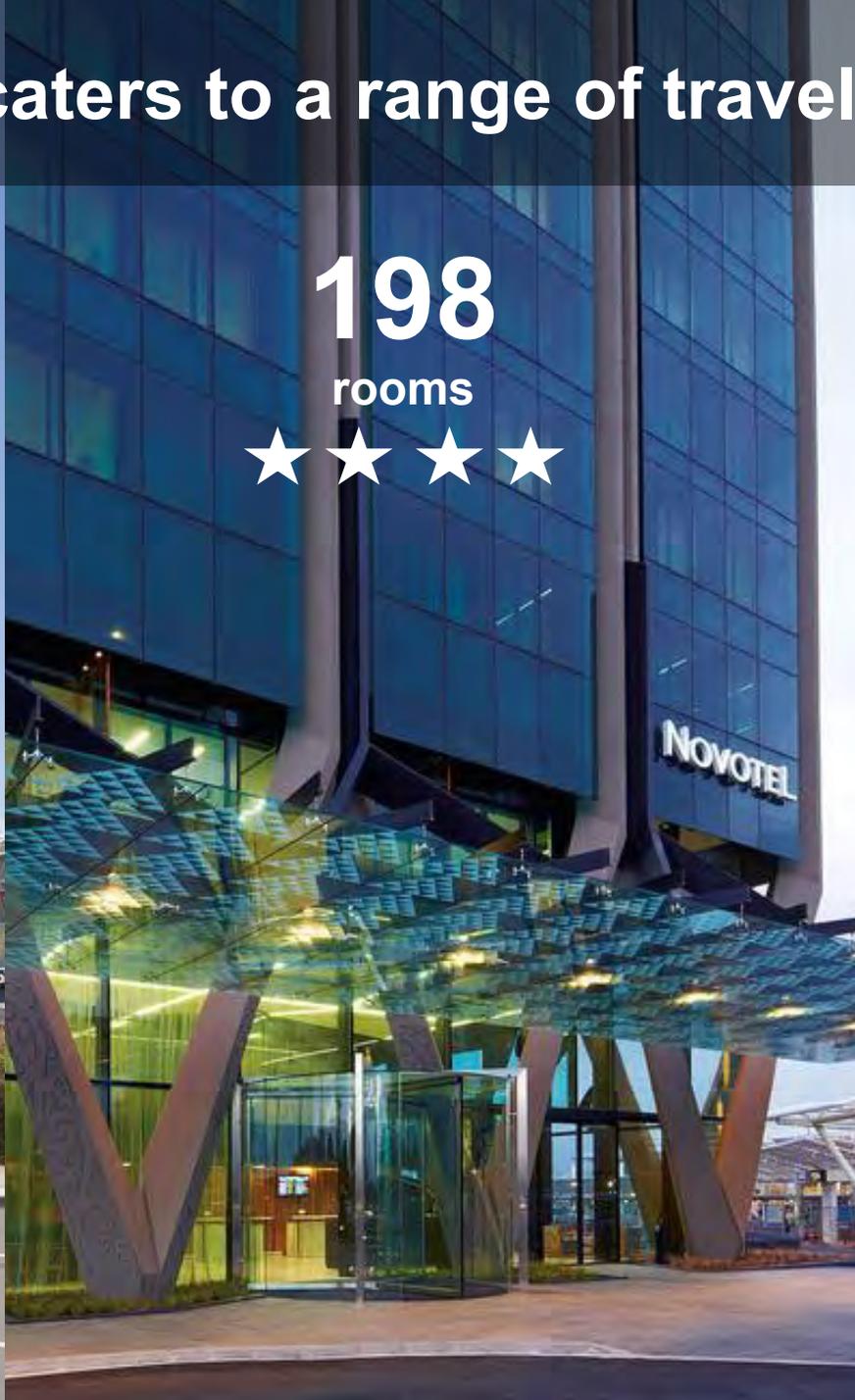


A hotel portfolio that caters to a range of travellers



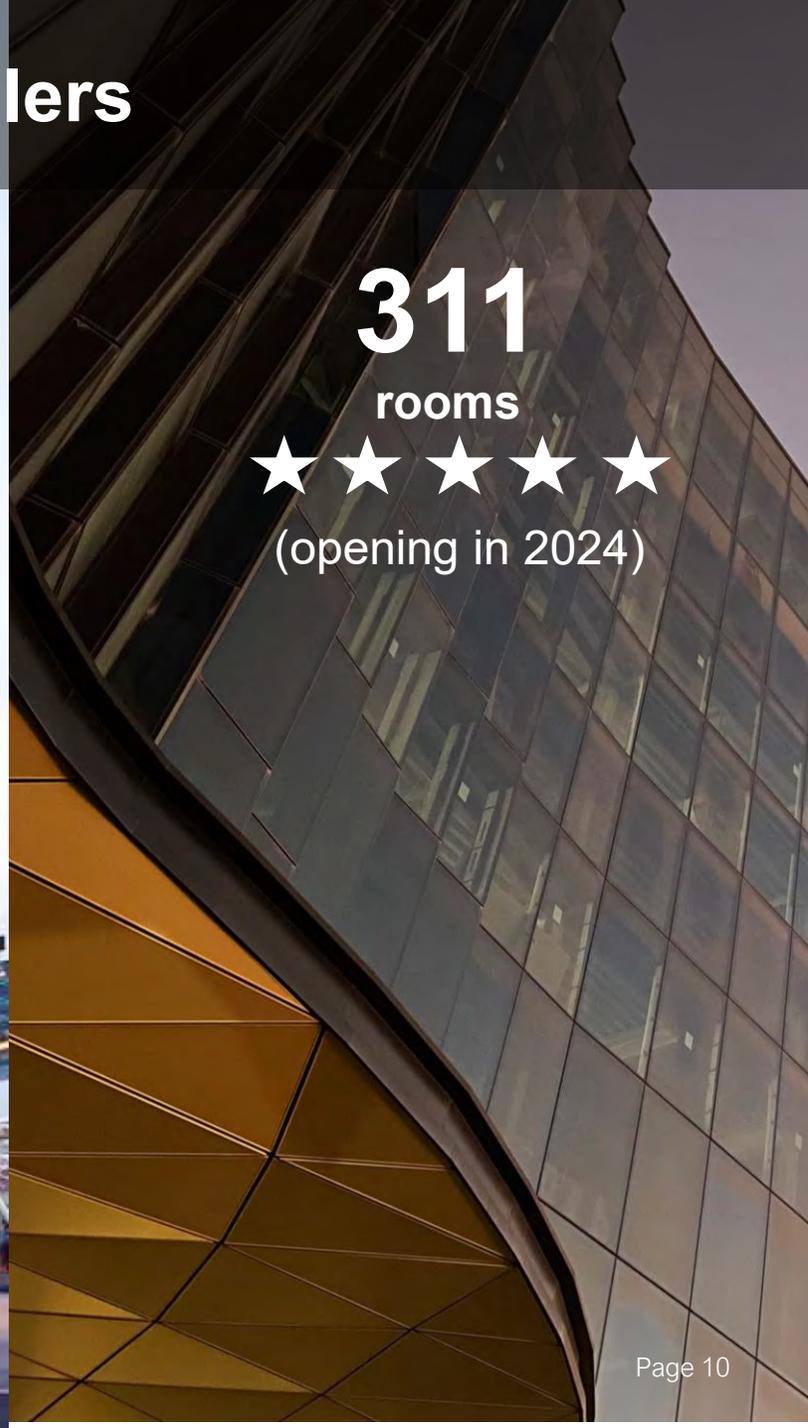
273

rooms



198

rooms



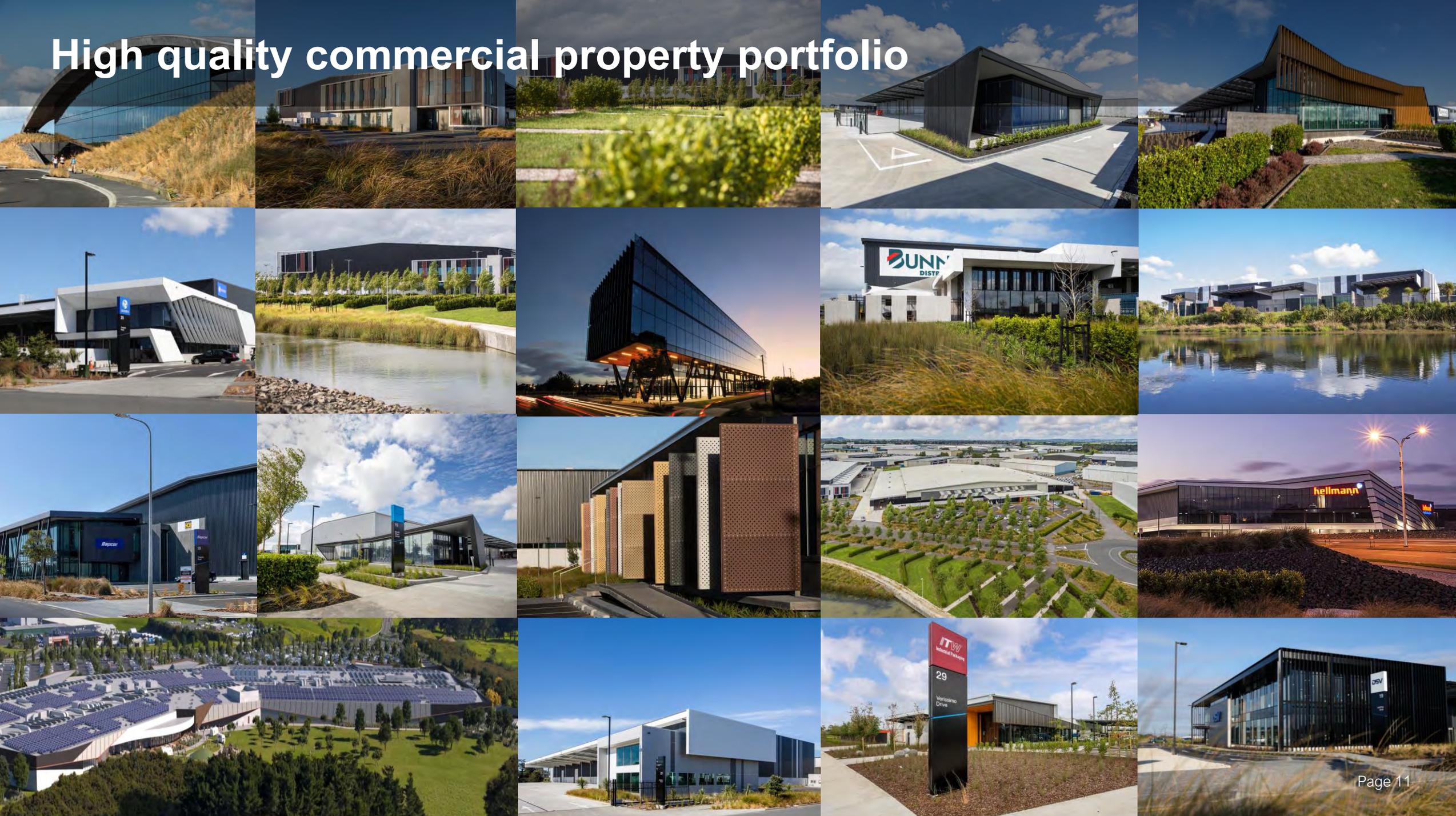
311

rooms

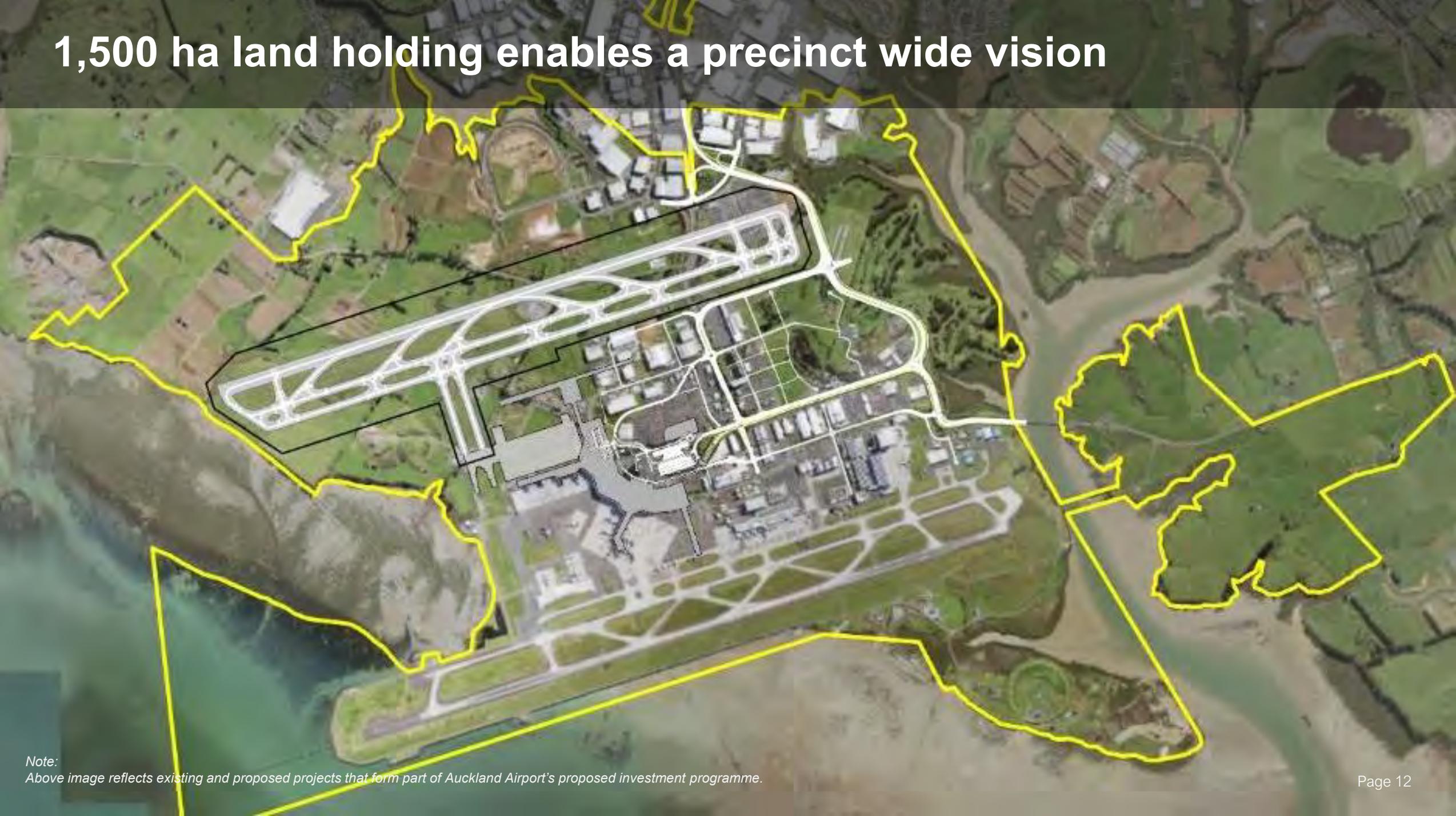


(opening in 2024)

High quality commercial property portfolio



1,500 ha land holding enables a precinct wide vision



*Note:
Above image reflects existing and proposed projects that form part of Auckland Airport's proposed investment programme.*

The airport is a combination of regulated and unregulated activities

2019 Revenue composition - \$738.2 million

Company Overview
Building a Better Future
Financial Information
Appendices



Strong recovery in commercial performance

The recovery in passenger movements during the year has driven improved performance across the commercial elements of the business

Company Overview

Building a Better Future

Financial Information

Appendices



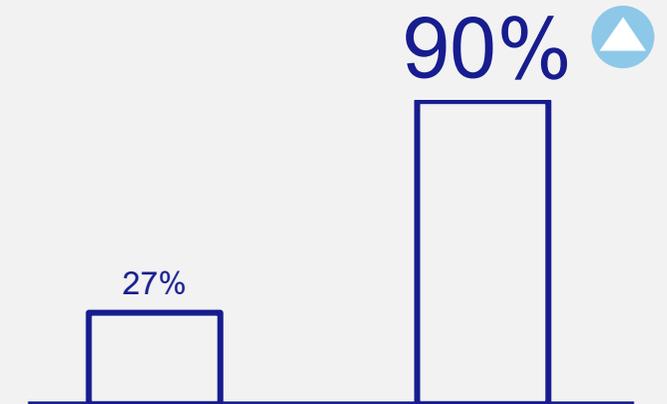
Retail income per PAX¹ in June 2023 up 57% on the same month in 2022



Car parking average revenue per space in June 2023 up 52% on the same month in 2022



Hotel occupancy in June 2023 up 63ppts on the same month in 2022



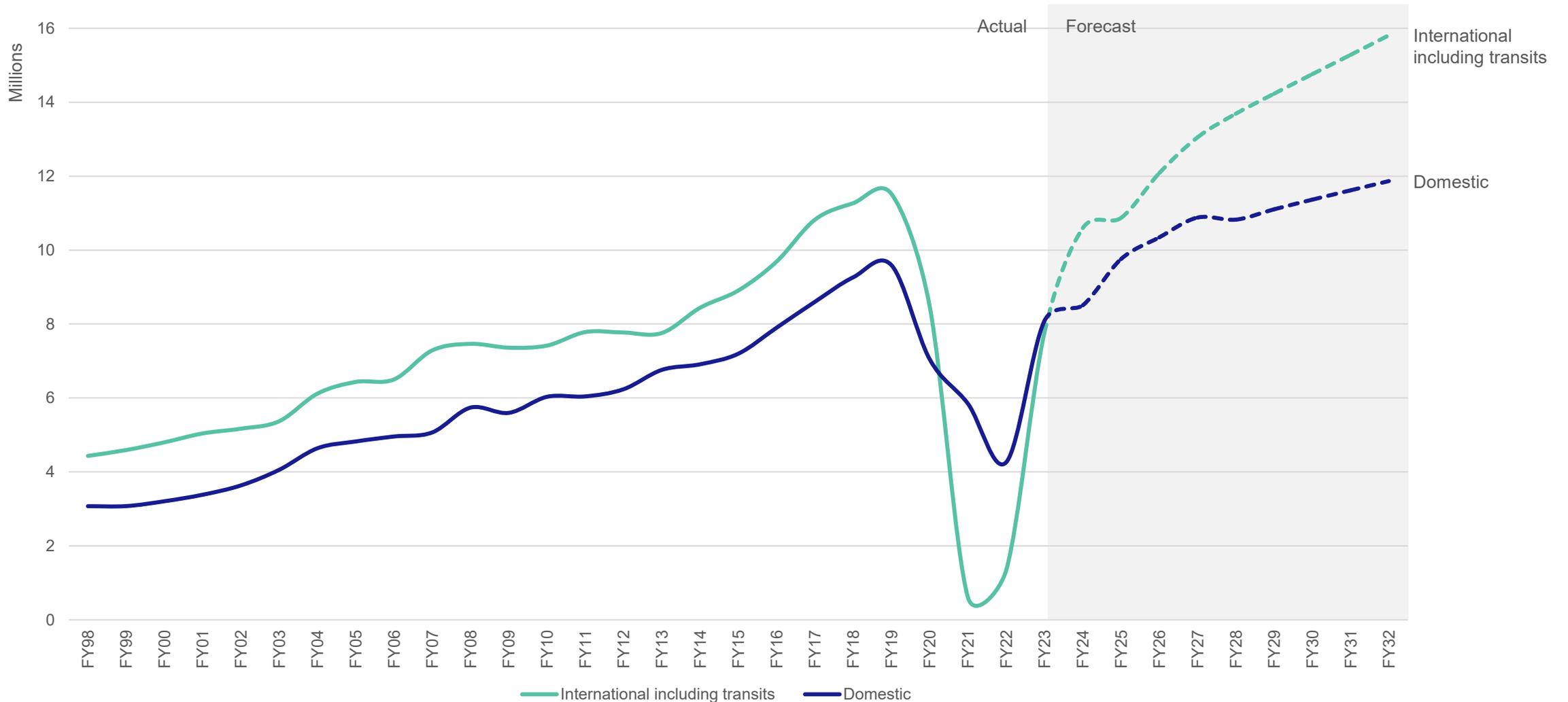
1. Income per PAX calculated as total retail income divided by total PAX, excluding half of transit PAX movements

FY23 financial results at a glance

<p>Revenue</p> <p>\$625.9m</p> <p>▲ 108%</p> <p>84% of FY19</p>	<p>Aeronautical revenue</p> <p>\$219.5m</p> <p>▲ 132%</p>	<p>Retail revenue</p> <p>\$130.9m</p> <p>▲ 477%</p>	<p>Reported profit after tax</p> <p>\$43.2m</p> <p>▼ 77%</p> <p>2023 earnings per share of 2.93cps</p>	<p>Final dividend</p> <p>4.0cps</p>
<p>EBITDAFI¹</p> <p>\$397.1m</p> <p>▲ 175%</p> <p>EBITDAFI margin of 63%</p>	<p>Parking revenue</p> <p>\$57.7m</p> <p>▲ 120%</p>	<p>Commercial property</p> <p>\$142.9m</p> <p>▲ 27%</p> <p>\$2.9bn portfolio valuation</p>	<p>Underlying profit after tax¹</p> <p>\$148.1m</p> <p>▲ 1,377%</p> <p>54% of FY19</p> <p>Underlying profit per share of 10.06cps</p>	<p>Capital investment²</p> <p>\$647.1m</p> <p>▲ 156%</p>

Forecast recovery provides confidence in future demand

35-year passenger growth trend



Note:
 Historic data to FY23 represents total reported passenger movements. FY24 onwards reflects forecast total passenger movements as published in the AIA PSE4 price setting disclosure in August 2023

Credit highlights

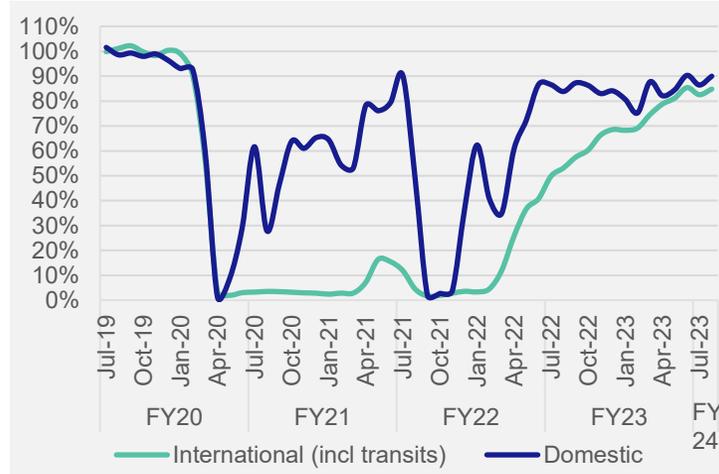
Gateway to New Zealand



Significant freehold asset base

\$10.8bn
Book value of assets at 30 June 2023

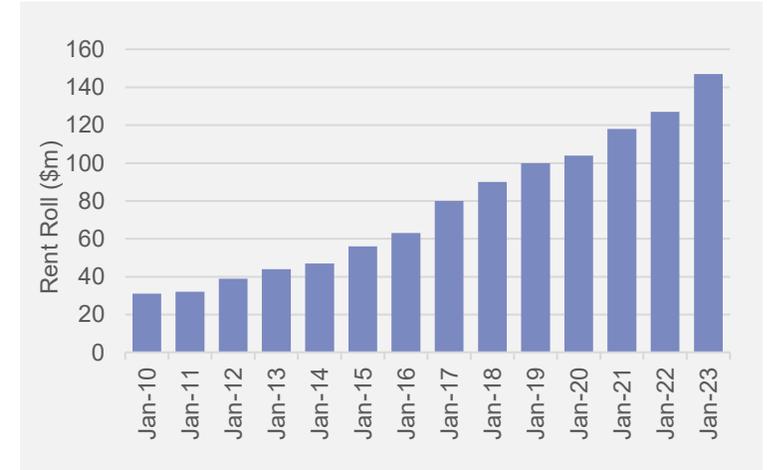
Benefiting from the recovery in travel



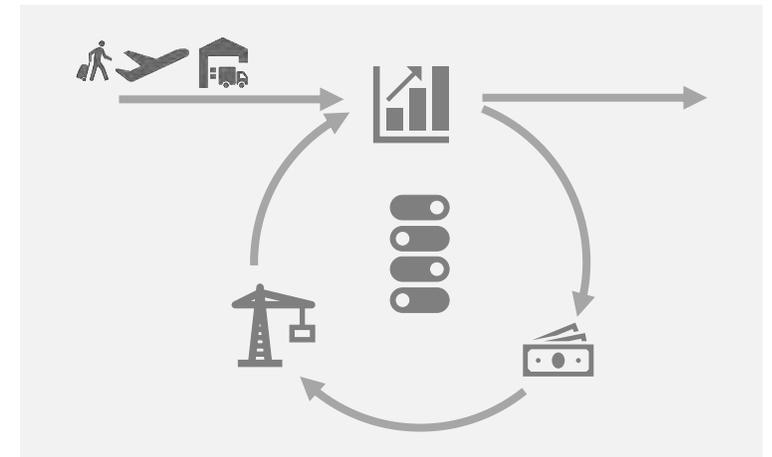
Investment grade credit rating

A- stable
Standard & Poors

Significant commercial property portfolio



Proactive capital management



Building a better future





A Auckland Airport

Building A Better Future.

Building a Better Future



Thriving enterprise

A thriving commercial community lies at the core of the long-term success and sustainability of our precinct. It will encompass a wide range of industries: from aviation and tourism; to retail and hospitality; to accommodation and entertainment; to high value exports and trade – a place that New Zealanders are proud of, as they connect with each other and the world via a thriving aviation network. Together, we will create a vibrant and dynamic environment that drives prosperity for our economy



Empowered community

We value our strong links with the community and will continue to actively contribute to the wellbeing and growth of local people. We will leverage the resources of the aviation precinct to empower and create opportunities for people, including our own incredible team. We foster collaboration and support to pave the way for positive progress and shared prosperity



Seamless connectivity

We seek to be a connected aviation precinct that enhances travellers' wellbeing, streamlines the travel experience and optimises maintenance and services. With real-time responsiveness, we will promptly address events and traveller management. Customers will enjoy a seamless travel experience and enhanced services through our integrated technology and data-driven approach. We're embracing the future of aviation connectivity.



Enduring infrastructure

As custodians, we think long-term. Enhancing ground transportation options, embracing digital, and investing in the future of the end-to-end travel experience. Our initiatives will cater to the growing and evolving needs of customers, partners, tenants and visitors ensuring our place remains at the forefront. Together, we'll achieve increased efficiencies and a seamless travel experience – now and for the future



Future resilience

We're not just a business – but a multigenerational endeavour. Applying a long-term perspective in everything we do. Working closely with tangata whenua, prioritising our people, aviation community, our country's economy and the protection of our natural environment. With our partners, we are driving modal shifts across transport and applying new technologies towards decarbonisation. Together, we're building a sustainable legacy that benefits future generations

Transforming the aviation system at Auckland

Airline consultation on the 10-year capital programme concluded in the year with circa \$6.7 billion of investment planned for Auckland Airport over PSE4 and PSE5 that will transform the aviation system



Ten-year roadmap

Projects are subject to change and may be replaced, deferred or cancelled

Significant progress continues towards terminal integration

Substantial enabling works continue on the new domestic terminal that is planned to be tightly integrated with the existing international terminal building

- Detailed consultation with airline stakeholders concluded
- Detailed design of the integrated facility now underway with expectation of the completion of detailed design in calendar 2024
- Construction on key enabling works projects progressing well including:
 - completed the relocation of the airport operations centre to a new purpose-built facility that enables closer collaboration between airport stakeholders;
 - construction of the new Eastern Bag Hall including increased capacity; and
 - relocation of eastern airfield operations including livestock, ULDs, airside waste disposal facility and Checkpoint Charlie



Airfield expansion providing important capacity for growth



Transport Hub that will transform the guest experience is taking shape



Retail recovery is underway



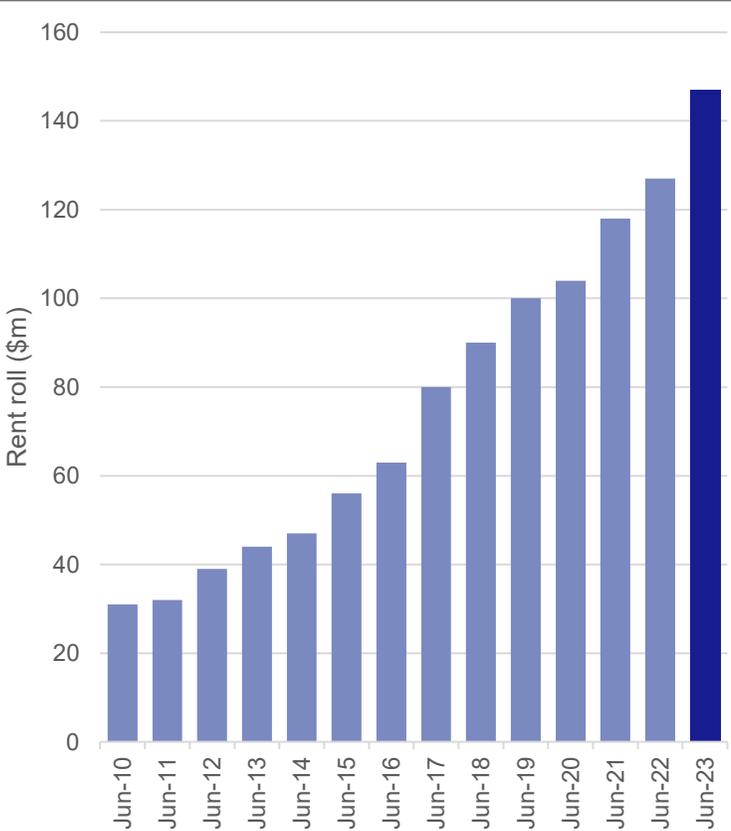
Exciting retail outlet centre due to open in 2024



Commercial property remains well positioned

Auckland Airport’s commercial property portfolio has grown rapidly in recent years, leveraging an exceptional track record of design and delivery, and the precinct’s high quality, high covenant tenancy characteristics. These characteristics continue to resonate with existing and prospective tenants resulting in a strong forward order book.

Commercial property rent roll



\$2.9 billion Portfolio value

535,058m² Net lettable area

\$147 million Rent roll

99.5% Portfolio occupancy

8.6 years Weighted average lease term

151 ha of land available for property development

75% Annual hotel occupancy

\$216.35 Average hotel daily room rate



Sustainability is central to who we are

Company Overview

Building a Better Future

Financial Information

Appendices

Purpose Kaupapa

85%

Customers rate their overall experience as 'excellent' or 'very good' by 2030

100%

Of procurement activity is aligned with sustainable procurement guidelines ISO20400 by 2030

TSR

Rolling 3 year total shareholder return exceeds cost of equity by 1%

Place Kaitiakitanga

Net Zero

90% reduction in scope 1 and 2 carbon emissions by 2030 from a 2019 baseline

20%

Reduction in potable water use by 2030 from 2019 levels

20%

Reduction in waste to landfill by 2030 from 2019 levels

People Whānau

40 | 40 | 20

Gender balance across Auckland Airport's Board, Leadership Team and its direct report populations by 2025

20%

Of people leaders of Māori / Pasifika ethnicity by 2025

Ethnicity

Workforce reflective of the ethnicity of New Zealand by 2030

Community Hapori

40%

Of employees participating in community volunteer programme by 2030

Apprenticeship

Create a pathway for women, Māori and Pasifika into trades with

30%

of total trade staff sourced from a targeted apprenticeship scheme by 2030

Sustainability remains central to our activities

Sustainability is a key priority for Auckland Airport – our planned investments will help us move towards climate change goals and create a more sustainable airport



Purpose
Kaupapa

- Material issues:
- Customer experience
 - Wider economic contribution

- Activities:
- Established centralised customer functions (including Insights, Customer Care and Contact Centre) to improve customer experience at Auckland Airport
 - Participated in government business delegations to promote New Zealand offshore to help rebuild our tourism and export industries



Place
Kaitiakitanga

- Material issues:
- Climate change risk and adaptation
 - Minimising our environmental footprint

- Activities:
- Undertook a coastal cleanup
 - 27% reduction in Scope 1 and Scope 2 emissions against a 2019 baseline
 - Commenced programme to phase out gas from the terminals
 - Relocated 227 native eels
 - Introduced organic waste separation in the terminals
 - Installed 24 EV chargers on the airfield



People
Whānau

- Material issues:
- Health, safety, wellbeing and security
 - Responsible employer

- Activities:
- Safety & Risk Executive appointment.
 - ‘People First’ HS&W strategy adopted
 - 40:40:20 target achieved for Board/Executive/Tier 3 levels of leadership
 - 10% of our employees identify as Māori or Pasifika, with 50 different ethnicities across our workforce.
 - Implemented enhanced parental leave policy
 - 12% of all permanent employees undertake paid volunteer leave



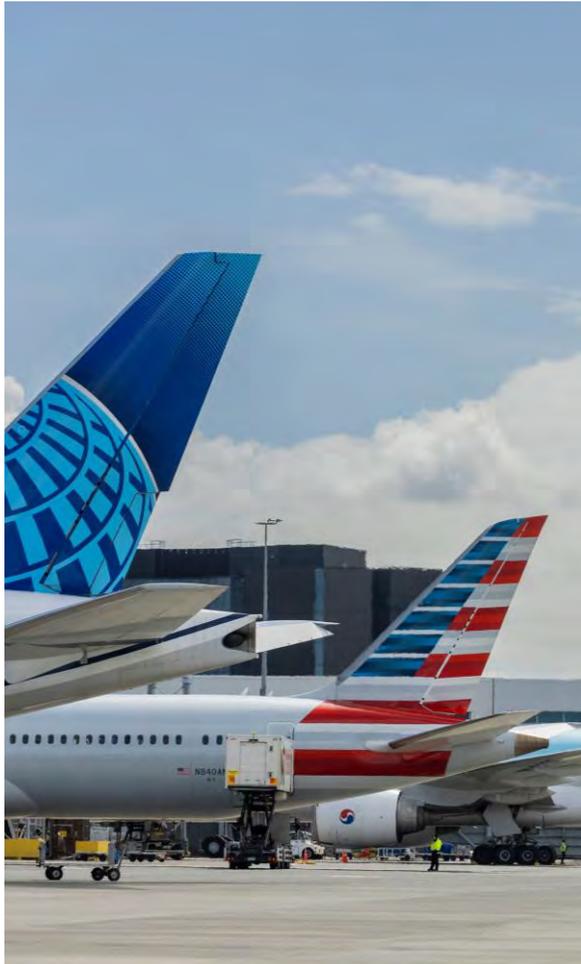
Community
Hapori

- Material issues:
- Aircraft noise
 - Community and mana whenua involvement

- Activities:
- \$384,000 granted to community projects to support learning, literacy and life skills in South Auckland
 - Celebrated Matariki with te reo Māori in the terminals
 - Continued to work alongside local iwi on the design of projects across the precinct
 - Held a job fair to create employment opportunities for local people and connect them to jobs

We are 'building a better future'

Supported the recovery in travel through increased connectivity



New international services

Reopened our commercial businesses to cater for increased passenger demand



Reopening of Bistro Box in the international terminal

Focused on improving operating efficiency and effectiveness to enhance the passenger experience



Trialling dedicated lanes to deliver improved efficiency

Continued our disciplined approach to investment in infrastructure



Enabling works for the integrated terminal

Financial information



Return to underlying profit

For the year ended 30 June \$m	2023	2022	Restated 2021 ³	2020	2019
Revenue	625.9	300.3	281.1	567.0	743.4
Expenses ¹	228.8	155.8	110.0	306.6	188.6
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)	397.1	144.5	171.1	260.4	554.8
<i>EBITDAFI Margin</i>	63%	48%	61%	46%	75%
Share of profit / (loss) from associates	11.1	(12.8)	21.1	8.4	8.2
Impairment on investment in JV	-	-	-	(7.7)	-
Derivative fair value movement	(0.7)	1.7	(0.5)	(1.9)	(0.6)
Property, plant and equipment revaluation	(15.6)	(1.4)	(7.5)	(45.9)	(3.8)
Investment property revaluation	(139.7)	204.4	527.3	168.6	254.0
Depreciation expense	145.3	113.1	120.9	112.7	102.2
Interest expense	62.7	53.7	94.0	71.8	78.5
Taxation expense	1.0	(22.0)	30.0	3.5	108.4
Reported profit after tax	43.2	191.6	466.6	193.9	523.5
Underlying profit / (loss) after tax²	148.1	(11.6)	(39.4)	188.5	274.7

1. 2020 includes capital expenditure write-offs, impairments and contractor termination costs of \$117.5 million, redundancy costs of \$5.9 million and credit losses of \$7.3 million in 2020. 2021 includes a net reversal of \$16.9 million of fixed asset impairment and termination costs and a \$4.2 million reversal of expected credit losses

2. A reconciliation between profit after tax and underlying profit after tax for 1H23 is included in the Appendix. Reconciliations for years ended 2019 – 2022 are available in the Annual Results report

3. The 2021 comparatives are restated following the IFRIC decision on cloud computing. Refer to note 2 of the Financial Statements to the Annual Results for the year ended 30 June 2022

Higher PAX numbers driving improved performance

For the year ended 30 June \$m	2023	2022	2021	2020	2019
Airfield income	86.6	60.9	64.0	100.6	127.6
Passenger services charge	132.9	33.8	24.2	133.0	185.1
Retail income	130.9	22.7	17.8	141.5	225.8
Car park income	57.7	26.2	28.7	50.3	64.2
Rental income	170.6	129.7	115.2	109.2	107.8
Other income	47.2	27.0	31.2	32.4	32.9
Total revenue	625.9	300.3	281.1	567.0	743.4

- Despite aeronautical prices held at FY22 levels for the first year of PSE4, revenue from Airfield and the Passenger Services Charge grew a combined 132% reflecting strong growth in aircraft movements and passengers
- With passengers returning, the progressive reopening of retail stores in the international terminal drove a significant increase in retail income
- Car parking income increased significantly reflecting the stronger than pre-COVID propensity to park, the reopening of all parking products and passenger growth
- Investment property rental income increased by 27% on the prior period driven by rental growth in the existing portfolio, part period new leases in FY22 and new leases in FY23 and an \$8.4 million 'straight-lining effect' from leases with fixed rental increments over the lease period

Balance sheet remains strong

As at 30 June \$m	2023	2022	Restated 2021 ¹	2020	2019
Cash	106.2	24.7	79.5	765.3	37.3
Trade and other receivables	51.6	28.5	25.4	34.7	69.0
Other current assets	3.0	21.6	20.9	37.0	-
Current assets	160.8	74.8	125.8	837.0	106.3
Property, plant and equipment	7,548.3	6,986.1	6,826.5	6,060.8	6,577.1
Investment properties	2,882.1	2,897.4	2,641.4	2,054.2	1,745.4
Investment in associates	193.1	166.5	154.4	114.7	105.7
Derivative financial instruments	45.0	28.1	29.2	230.4	162.6
Total assets	10,829.3	10,152.9	9,777.3	9,297.2	8,697.1
Borrowings	1,817.1	1,476.6	1,392.8	2,145.2	2,190.5
Other liabilities	634.7	525.4	455.0	514.9	473.7
Total liabilities	2,451.8	2,002.0	1,847.8	2,660.1	2,664.2
Equity	8,377.5	8,150.9	7,929.5	6,637.1	6,032.9
Total liabilities and equity	10,829.3	10,152.9	9,777.3	9,297.2	8,697.1

1. The 2021 comparatives are restated following the IFRIC decision on cloud computing. Refer to note 2 of the Financial Statements to the Annual Results for the year ended 30 June 2022

Strong liquidity position and robust credit metrics

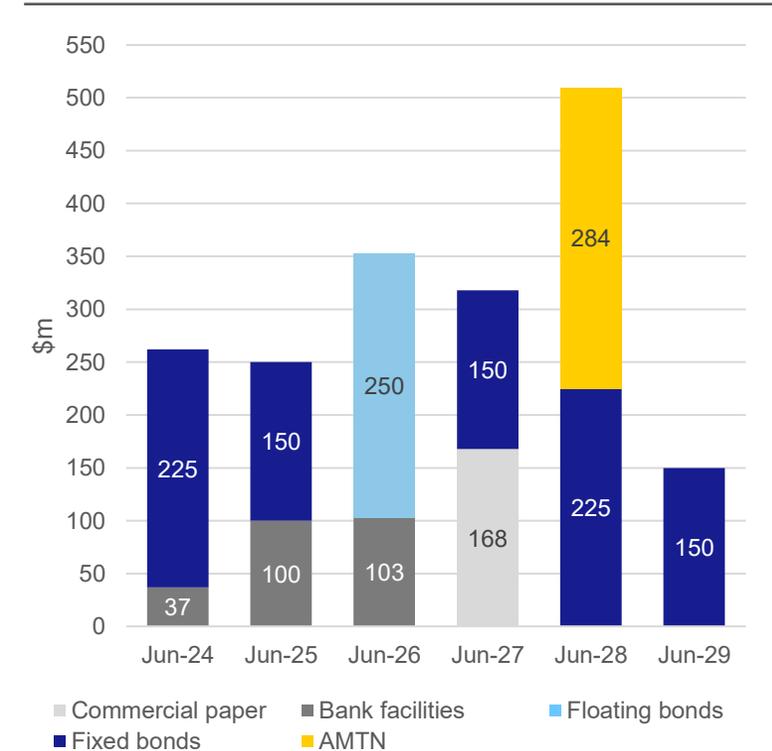
Strong financial metrics with strong covenant headroom and liquidity to support the planned capex

- Total drawn debt of \$1,817 million at 30 June 2023, an increase of 23% or \$340 million on June 2022
- Committed undrawn bank facility headroom of circa \$963 million (Jun-22: \$955 million), and \$106 million in available cash (Jun-22: \$25 million)
- Raised \$625 million of new borrowings through four NZDCM issues in the period comprising:
 - a \$150 million and \$100 million wholesale floating rate note issues; and
 - a \$225 million and \$150 million listed fixed rate bond issues
- A- credit rating maintained

Key credit metrics

	Test	Jun-23	Jun-22
Gearing covenant ¹	≤ 60%	18.2%	15.6%
Interest coverage covenant ²	≥ 2.0x	6.57x	2.58x
Debt to enterprise value		12.7%	12.3%
Net debt to enterprise value		12.0%	12.1%
FFO interest cover ³	≥ 2.5x	5.2x	2.6x
FFO to net debt ³	≥ 11.0%	18.7%	6.4%
Weighted average interest cost		5.03%	4.32%
Average debt maturity profile (yrs)		2.65	2.29
Percentage of fixed borrowings		63.2%	71.5%

Drawn debt maturity profile by financial year



Outlook

Guidance

- As we look to the 2024 financial year, we continue to see positive signs in the recovery of the aviation industry with increased connectivity continuing to facilitate a recovery in travel
- Reflecting this, Auckland Airport is providing the following guidance for FY24 of:
 - underlying earnings of between \$260 million and \$280 million based on anticipated domestic and international passenger numbers of 8.5 million and 10.6 million respectively; and
 - capital expenditure of between \$1,000 million and \$1,400 million in the year reflecting the significant investment across the airport precinct
- This guidance is subject to any material adverse events, significant one-off expenses, non-cash fair value changes to property and any deterioration due to global market conditions or other unforeseeable circumstances



Aerial view of Auckland Airport

Thank you



Appendices



Appendix: Board of directors



Dr Patrick Strange
Chair



Tania Simpson
Director



Dean Hamilton
Director



Christine Spring
Director



Julia Hoare
Director



Mark Binns
Director



Liz Savage
Director



Mark Cairns
Director

Appendix: Management team

Company
Overview

Building a
better future

Financial
Information

Appendices



Carrie Hurihanganui
Chief Executive



Melanie Dooney
Chief Corporate Services Officer



André Lovatt
Chief Infrastructure Officer
(departing)



Phil Neutze
Chief Financial Officer



Chloe Surridge
Chief Operations Officer



Scott Tasker
Chief Customer Officer



Mark Thomson
Chief Commercial Officer



Mary-Liz Tuck
Chief Sustainability & Master
Planning Officer



Richard Wilkinson
Chief Digital Officer

Appendix: Underlying profit reconciliation

For the year ended 30 June (\$m)	2023			2022		
	Reported profit	Adjustments	Underlying profit	Reported profit	Adjustments	Underlying profit
EBITDAFI per Income Statement	397.1	-	397.1	144.5	-	144.5
Investment property fair value change	(139.7)	139.7	-	204.4	(204.4)	-
Property, plant and equipment fair value change	(15.6)	15.6	-	(1.4)	1.4	-
Fixed asset write-offs, impairments and termination costs ¹	-	2.8	2.8	-	6.9	6.9
Derivative fair value change	(0.7)	0.7	-	1.7	(1.7)	-
Share of profit / (loss) of associate and joint ventures	11.1	(3.6)	7.5	(12.8)	17.2	4.4
Depreciation	(145.3)	-	(145.3)	(113.1)	-	(113.1)
Interest expense and other finance costs	(62.7)	-	(62.7)	(53.7)	-	(53.7)
Taxation expense / (benefit)	(1.0)	(50.3)	(51.3)	22.0	(22.6)	(0.6)
Profit after tax	43.2	104.9	148.1	191.6	(203.2)	(11.6)

We have made the following adjustments to show underlying profit after tax for the years ended 30 June 2023 and 2022:

- we have reversed out the impact of revaluations of investment property in 2023 and 2022. An investor should monitor changes in investment property over time as a measure of growing value. However, a change in one particular year is too short to measure long-term performance. Changes between years can be volatile and, consequently, will impact comparisons. Finally, the revaluation is unrealised and, therefore, is not considered when determining dividends in accordance with the dividend policy;
- consistent with the approach to revaluations of investment property, we have also reversed out the revaluations of the land, runways, taxi ways, aprons and infrastructure and building classes of assets within property, plant and equipment in 2023 and land and building classes of assets within property, plant and equipment in 2022;
- we have reversed out the impact of capital expenditure write-offs, impairments and termination cost expenses and reversals in 2023 and 2022. These fixed asset write-off costs, impairments and termination costs are not considered to be an element of the group's normal business activities and on this basis have been excluded from underlying profit;
- we have also reversed out the impact of derivative fair value movements. These are unrealised and relate to basis swaps that do not qualify for hedge accounting on foreign exchange hedges, as well as any ineffective valuation movements in other financial derivatives. The group holds its derivatives to maturity, so any fair value movements are expected to reverse out over their remaining lives. Further information is included in note 18(b) of the financial statements;
- in addition, we have adjusted the share of profit of associates and joint ventures in both 2023 and 2022 to reverse out the impacts on those profits from revaluations of investment property and financial derivatives; and
- we have also reversed out the taxation impacts of the above movements in both the 2023 and 2022 financial years.

Glossary

Debt investor update

Auckland Airport	Auckland International Airport Limited
Bn	Billion
COVID	COVID-19
Cps	Cents per share
EBITDA	Earnings before interest, taxation and depreciation
EBITDAFI	Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates
FFO	Funds from operations
FY	Financial year
Ha	Hectares
JV	Joint venture
KM	Kilometers
NPAT	Net profit after tax
PAX	Passenger
PSE4	Price setting event 4 covering the period 1 July 2022 to 30 June 2027
PSE5	Price setting event 5 covering the period 1 July 2027 to 30 June 2032
TSR	Total shareholder return



Market Release | 24 October 2023

Auckland Airport launches retail bond offer

Auckland International Airport Limited (“**Auckland Airport**”) confirmed today that it is offering up to NZ\$200,000,000 of six year fixed rate bonds (with the ability to accept up to NZ\$50,000,000 in oversubscriptions at Auckland Airport’s discretion) (the “**Bonds**”) to New Zealand retail investors and to institutional investors.

The offer opens today and will be made pursuant to the Financial Markets Conduct Act 2013 as an offer of debt securities of the same class as existing quoted debt securities. The notice required by the Financial Markets Conduct Regulations 2014 has been provided to NZX and is attached. The Bonds are expected to be quoted on the NZX Debt Market.

Full details of the bond issue are contained in the terms sheet which has been prepared for the offer and is **attached**.

The offer will open with an indicative margin range of 1.00 per cent to 1.10 per cent per annum and the Bonds will mature on 2 November 2029. An announcement of the actual margin and the interest rate on the Bonds will be made following the conclusion of the bookbuild process, which is expected to be on 26 October 2023. The terms sheet will be updated to include the interest rate and will be released on the same day.

The Bonds are expected to be assigned a long term credit rating of A- by S&P Global Ratings.

There is no public pool for the offer, with 100 per cent of the Bonds reserved for clients of ANZ and CBA (as Joint Lead Managers), NZX participants, other approved financial intermediaries and institutional investors. The offer will close on 26 October 2023 following the completion of the bookbuild process.

Interested investors should contact the Joint Lead Managers or their usual financial adviser for more details.

Ends

For assistance, please contact:

Campbell De Morgan
Treasury Specialist
+64 27 478 3243
campbell.demorgan@aucklandairport.co.nz

ANZ Bank New Zealand Limited (ANZ)
0800 269 476

Commonwealth Bank of Australia (ABN 48 123 123 124) (acting through its New Zealand branch) (CBA)
0800 272 266

Indicative terms sheet for fixed rate bonds due 2 November 2029

This Terms Sheet is prepared in respect of an offer by Auckland International Airport Limited (**Auckland Airport**) of up to NZ\$200,000,000 (with the ability to accept up to NZ\$50,000,000 in oversubscriptions at Auckland Airport's discretion) of fixed rate bonds (**Bonds**) under its master trust deed dated 9 July 2004 (as amended and restated from time to time), as modified and supplemented by the supplemental trust deed dated 18 October 2023 entered into between Auckland International Airport Limited and The New Zealand Guardian Trust Company Limited (**Supervisor**) (together, **Trust Documents**).

Important Notice

The offer of Bonds is being made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**). Except for the interest rate and maturity date, the Bonds will have identical rights, privileges, limitations and conditions as Auckland Airport's:

- (a) 3.97% NZ\$225,000,000 fixed rate bonds maturing on 2 November 2023 which are quoted on the NZX debt market under the ticker code AIA210;
- (b) 3.51% NZ\$150,000,000 fixed rate bonds maturing on 10 October 2024 which are quoted on the NZX debt market under the ticker code AIA230;
- (c) 3.29% NZ\$150,000,000 fixed rate bonds maturing on 17 November 2026 which are quoted on the NZX debt market under the ticker code AIA240;
- (d) 5.67% NZ\$225,000,000 fixed rate bonds maturing on 9 May 2028 which are quoted on the NZX debt market under the ticket code AIA250; and
- (e) 5.29% NZ\$150,000,000 fixed rate bonds maturing on 17 November 2028 which are quoted on the NZX debt market under the ticket code AIA260,

(together, **Quoted Bonds**) and therefore are of the same class as the Quoted Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014 (**FMC Regulations**).

Auckland Airport is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting <https://www.nzx.com/companies/AIA>.

Investors should look to the market price of the Quoted Bonds to find out how the market assesses the returns and risk premium for those bonds.

Dated 24 October 2023

Issuer	Auckland International Airport Limited.	
Description of Bonds	Direct, unsecured, unsubordinated, fixed rate debt obligations of Auckland Airport ranking equally and without preference among themselves and equally with all other outstanding unsecured and unsubordinated indebtedness of Auckland Airport (except indebtedness preferred by law).	
Purpose	General corporate purposes.	
Joint Lead Managers	ANZ Bank New Zealand Limited and Commonwealth Bank of Australia (ABN 48 123 123 124) (acting through its New Zealand branch)	
Credit Ratings	Expected Long-Term Issue Credit Rating	Long-Term Issuer Credit Rating
	A- S&P Global Ratings	A- S&P Global Ratings
	Further information about S&P Global Ratings credit rating scale is available at www.standardandpoors.com . A credit rating is not a recommendation to invest in the Bonds and may be subject to revision, suspension or withdrawal at any time.	
Issue Amount	Up to NZ\$200,000,000 with the ability to accept up to NZ\$50,000,000 in oversubscriptions at Auckland Airport's discretion.	
Opening Date	Tuesday, 24 October 2023, immediately following release via NZX of the notice required by the FMC Regulations in connection with the offer.	
Closing Date	Thursday, 26 October 2023.	
Rate Set Date	Thursday, 26 October 2023.	
Issue Date and allotment date	Thursday, 2 November 2023	

Maturity Date	Friday, 2 November 2029
Interest Rate	The aggregate of the Base Rate and the Margin on the Rate Set Date. The Interest Rate will be announced by Auckland Airport via NZX on or shortly after the Rate Set Date. The Interest Rate will not change after the Rate Set Date.
Base Rate	The semi-annual mid-market swap rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Joint Lead Managers in accordance with market convention with reference to Bloomberg page ICNZ4 on the Rate Set Date and expressed on a semi-annual basis, rounded to 2 decimal places, if necessary with 0.005 being rounded up.
Indicative Margin and actual Margin	The indicative margin range is 1.00 per cent to 1.10 per cent per annum for the Bonds. The actual Margin for the Bonds, (which may be above or below the abovementioned indicative margin range), will be set by Auckland Airport (in consultation with the Joint Lead Managers) on the Rate Set Date following a bookbuild by the Joint Lead Managers. The actual Margin will be announced by Auckland Airport via NZX on or shortly after the Rate Set Date.
Interest Payment Dates	2 May and 2 November in each year until and including the Maturity Date.
First Interest Payment Date	2 May 2024
Frequency of interest payments	Semi-annually (half annual amount) in arrears on each Interest Payment Date. If an Interest Payment Date falls on a day that is not a Business Day, the relevant payment will be made on the next day which is a Business Day, without adjustment, interest or further payment as a result thereof.
Issue price / Principal Amount	NZ\$1.00 per Bond.
Minimum Principal Amount and minimum holding amount	The Minimum Principal Amount and minimum holding amount in respect of the Bonds is NZ\$10,000 and multiples of NZ\$1,000 thereafter.

Record Date	10 calendar days before an Interest Payment Date or, if not a Business Day, the immediately preceding Business Day.
Business Day	A day (other than a Saturday or Sunday) on which registered banks are generally open for business in Wellington and Auckland.
Quotation	The Bonds will be quoted under NZX Debt Market Ticker Code: AIA270.
Expected date of initial quotation and trading on the NZX Debt Market	It is expected that quotation on the NZX Debt Market will occur on 3 November 2023.
Registrar	Link Market Services Limited.
ISIN	NZAIAD0270L6.
Repo-eligibility	Auckland Airport intends to apply to the Reserve Bank of New Zealand for the Bonds to be included as eligible securities for domestic market operations.
Early repayment	<p>In the case of an event of default as set out in the Trust Documents, which is continuing unremedied, the Supervisor may, and immediately upon being directed to do so by an extraordinary resolution (as defined under the Trust Documents) of holders of Bonds of this series must, declare the principal amount and accrued interest on the Bonds to be immediately due and payable.</p> <p>If the Bonds are declared due and payable prior to the Maturity Date, interest will be payable at the Interest Rate from the most recent Interest Payment Date to and including the date of repayment.</p>
Governing law	New Zealand.

Who may apply	<p>All of the Bonds are reserved for clients of the Joint Lead Managers, primary market participants and other approved financial intermediaries.</p> <p>There is no public pool for the offer. Investors wishing to purchase the Bonds should contact their broker or financial adviser. In respect of any oversubscriptions or generally, any allotment of Bonds will be at Auckland Airport's discretion, in consultation with the Joint Lead Managers. Auckland Airport reserves the right to refuse to make any allotment (or part thereof) without giving any reason.</p> <p>Each investor's broker or financial adviser will be able to advise them as to what arrangements will need to be put in place for the investor to trade the Bonds including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a primary market participant as well as the costs and timeframes for putting such arrangements in place.</p>
Singapore Securities and Futures Act Product Classification	Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (the SFA), Auckland Airport has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).
Selling restrictions	The selling restrictions set out in the schedule to this Terms Sheet apply.

Important Information

The dates and times set out in this Terms Sheet are indicative only. The indicative margin, issue amount, dates and times are subject to change. Auckland Airport has the right in its absolute discretion and without notice to amend the indicative margin and issue amount, close the offer early, to extend the Closing Date, or to choose not to proceed with the offer. If the Closing Date is extended, subsequent dates may be extended accordingly.

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Copies of the Trust Documents will be made available by Auckland Airport for inspection during usual business hours by any bondholder at the office of Auckland Airport at the address below (or such office as Auckland Airport may notify the bondholders from time to time).

The Joint Lead Managers and their respective directors, officers, employees and agents: (a) have not authorised or caused the issue of, or made any statement in, any part of this Terms Sheet; (b) do not make any representation, recommendation or warranty, express or implied regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this Terms Sheet; and (c) to the extent permitted by law, do not accept any responsibility or liability for this Terms Sheet or for any loss arising from this Terms Sheet or its contents or otherwise arising in connection with the offer of Bonds.

Investors are personally responsible for ensuring compliance with all relevant laws and regulations applicable to them (including any required registrations). Investors should seek qualified, independent legal, financial and taxation advice before deciding to invest.

For further information regarding Auckland Airport, visit <https://www.nzx.com/companies/AIA>.

Address details

Auckland International Airport Limited

First Floor
4 Leonard Isitt Drive
Auckland Airport
Manukau 2022

ANZ Bank New Zealand Limited

ANZ Centre
23-29 Albert Street
Auckland 1010
New Zealand

Commonwealth Bank of Australia

(ABN 48 123 123 124)
(acting through its New Zealand branch)
Level 6, ASB North Wharf
12 Jellicoe Street
Auckland 1010

Schedule – Selling restrictions

Part A - Initial Selling Restrictions

The Bonds may only be offered in New Zealand in conformity with all applicable laws and regulations in New Zealand. In respect of the initial offer of Bonds by Auckland Airport under this Terms Sheet (**Initial Offer**), no Bonds may be offered in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction and the selling restrictions set out below in this Part A. This Terms Sheet may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the selling restrictions set out below in this Part A. For the avoidance of doubt, the selling restrictions set out below in this Part A apply only in respect of the Initial Offer.

No action has been or will be taken by the Issuer which would permit an offer of Bonds to the public, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

By its subscription for or purchase of the Bonds, each bondholder agrees to indemnify the Issuer, the Joint Lead Managers and the Supervisor and each of their respective directors, officers and employees for any loss, cost, claim, fine, damages, liability or expense sustained or incurred by any of them by reason of any breach of the selling restrictions.

United States of America

The Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

None of Auckland Airport, any Joint Lead Manager nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts in relation to the Bonds, and each of Auckland Airport and the Joint Lead Managers has complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act.

The Bonds will not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Bonds of the Tranche of which such Bonds are part, as determined and certified by the Joint Lead Managers, except in accordance with Rule 903 of Regulation S. Any Bonds sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:

"The Bonds covered hereby have not been registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any

state or other jurisdiction of the United States and may not be offered or sold within the United States, or to or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Bonds and the closing date except in either case pursuant to a valid exemption from registration in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act."

Until 40 days after the completion of the distribution of all Bonds or the Tranche of which those Bonds are a part, an offer or sale of the Bonds within the United States by the Joint Lead Managers or any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Regulation S.

Member States of the European Economic Area

In relation to each Member State of the European Economic Area, no Bonds have been offered and no Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in that Member State except that an offer of Bonds to the public in the Member State may be made:

- (a) to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the Joint Lead Managers nominated by Auckland Airport for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the Bonds shall require Auckland Airport or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression **offer of Bonds to the public** in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of Sales to UK Retail Investors

No Bonds have been offered and no Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in the United Kingdom except that it may make an offer of Bonds to the public in the United Kingdom:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the Joint Lead Managers for any such offer; or
- (c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (**FSMA**),

provided that no such offer of the Bonds shall require the Issuer or the Joint Lead Managers to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression **offer of Bonds to the public** in relation to any Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Other UK Regulatory Restrictions

Each Joint Lead Manager has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to Auckland Airport.

All applicable provisions of the FSMA with respect to anything done in relation to the Bonds in, from or otherwise involving the United Kingdom must be complied with.

Japan

The Bonds have not been and will not be registered in Japan pursuant to Article (4), Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the **FIEA**) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement as provided for in "ha" of Article (2), Paragraph 3, Item 2 of the FIEA. A Japanese Person who transfers the Bonds shall not transfer or resell the Bonds except where the transferor transfers or resells all the Bonds en bloc to one transferee. For the purposes of this paragraph, **Japanese Person** shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Singapore

This Terms Sheet has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Terms Sheet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds has not been, and will not be, circulated or distributed, nor have the Bonds been, nor will they be, offered or sold, or be made the subject of an

invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Hong Kong

No Bonds have been offered or sold or will be or may be offered or sold in Hong Kong, by means of any document, other than (a) to **professional investors** as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a **prospectus** as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Bonds may be issued or in the possession of any person or will be issued or be in the possession of any person in each case for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of

Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to **professional investors** as defined in the SFO and any rules made under the SFO.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (**Corporations Act**)) in relation to the Bonds (including this Terms Sheet) has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission (**ASIC**) or any other regulatory authority in Australia. No person may:

- (a) make or invite (directly or indirectly) an offer of the Bonds for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) distribute or publish, any Terms Sheet, information memorandum, prospectus or any other offering material or advertisement relating to the Bonds in Australia,

unless:

- (i) the minimum aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act;
- (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act); and
- (iv) such action does not require any document to be lodged with, or registered by, ASIC or any other regulatory authority in Australia.

By applying for the Bonds under this Terms Sheet, each person to whom the Bonds are issued (an **Investor**):

- (a) will be deemed by the Issuer and each of the Joint Lead Managers to have acknowledged that if any Investor on-sells the Bonds within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
 - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer the Bonds in Australia without a prospectus or other disclosure document lodged with ASIC; or

- (ii) the sale offer is received outside Australia; and
- (b) will be deemed by the Issuer and each of the Joint Lead Managers to have undertaken not to sell those Bonds in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Bonds.

This Terms Sheet is not, and under no circumstances is to be construed as, an advertisement or public offering of any Bonds in Australia.

Part B - General Selling Restrictions

The Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. No Bonds may be offered for sale or sold in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction. No offering document or other offering material in respect of the Bonds may be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction. No action has been or will be taken by the Issuer which would permit an offer of Bonds to the public, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

By its subscription for or purchase of the Bonds, each Holder agrees to indemnify the Issuer, the Joint Lead Managers, and the Supervisor and each of their respective directors, officers and employees for any loss, cost, claim, fine, damages, liability or expense sustained or incurred by any of them by reason of any breach of the selling restrictions.